

STATE OF MARYLAND

MARYLAND DEPARTMENT OF THE ENVIRONMENT

Robert M. Summers, Ph. D., Secretary

BILL NO: HB 11

COMMITTEE: Environmental Matters

POSITION: Support

TITLE: Environment – Bay Restoration Fund – Authorized Uses

BILL ANALYSIS: This legislation will allow flexibility in providing funding for the connection of septic systems outside the priority funding areas (PFA) to a public sewer system operating at enhanced nutrient removal (ENR) level treatment using Bay Restoration Fund (BRF) septic funds. This legislation will also allow vacant properties within the PFA to connect, at the owners’ cost, to a sewer line that was built using BRF septic funds. Finally, the legislation provides the flexibility for a local government to use the BRF septic fund for repayment of the eligible bond principal amount, not the bond interest, in cases where BRF septic grant funds were insufficient to finance the entire project in cash, and the local government borrowed funds to undertake the project to connect existing homes to a public sewer system operating at enhanced nutrient removal level treatment.

The funding of the connection of septic systems outside of the PFA to a public sewer system will be subject to the current PFA exception process that exists under § 5–7B–06 of the State Finance and Procurement Article, which provides for review, comment, and approval by the Smart Growth Coordinating Committee. Additionally, the PFA exceptions can only be sought for areas which are consistent with a “public health area of concern.”

POSITION AND RATIONALE: MDE supports HB11. The current BRF Septic fund statute that governs the connection of septic systems to wastewater treatment plants with ENR level treatment is very restrictive. Current law does not allow BRF Septic grants for the connection of septic systems outside the PFA, even for areas with public health concerns, or allow for vacant lots located in the PFA to connect at the owners’ cost to a wastewater treatment plant achieving enhanced nutrient removal if any portion the sewer line was funded with BRF grant. There are cases where there are public health problems and it is prudent to connect these septic systems outside of the PFA to public sewer.

This legislation will allow BRF septic funds to be used to connect septic systems outside the PFA to a municipal waste water treatment plant through an “exception” approval by the Smart Growth Coordinating Committee, chaired by the Maryland Department of Planning. These “exceptions” are granted on a case-by-case basis as outlined under § 5–7B–06 of the State Finance and Procurement Article, which provides for review, comment, and approval (or rejection) by the Smart Growth Coordinating Committee.

MDE’s other water quality grant and loan programs that are subject to PFA law follow the same exception process. The Department seeks exceptions for projects financed by these other funds to resolve similar public health issues to those this legislation seeks to address. The process the Department currently follows for these other programs ensures that adequate smart growth protections are in place. This legislation simply creates a process whereby Bay Restoration Fund Septics Funding could be used for the same purpose – to resolve public health issues. The protections built in through the PFA exception process and language restricting these projects to “public health areas of concern” will ensure equally protective smart growth protections are in place for the projects this legislation would allow.

FOR MORE INFORMATION,
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